



Foreign &
Commonwealth
Office

Grant Agreement

The Parties to this Grant Agreement are:

The Secretary of State for Foreign and Commonwealth Affairs represented by:

[Name]

[Position]

[Location]

for the Foreign and Commonwealth Office (**the Authority**),

and

[Name of project implementing partner (if applicable)]

[Registered address of project implementing partner]

[Name and position of representative individual]

(**the Grantee**), referred to collectively as the **Parties** and each individually as a **Party**.

1. Introduction and Definitions

1.1 This Grant Agreement contains the terms on which grant funding is being provided to the Grantee for the Project.

1.2 In this Grant Agreement:

- (a) “**Basic Project Information**” means the project title, the project scope, information about the budgeted and actual project spend, the project duration, the name of the UK central government department or agency which has lead responsibility for managing the project, the name of the Grantee and the amount of funding that is being provided under this Grant Agreement;

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- (b) **“Confidential Information”** means the Authority’s data and all information which has either been reasonably designated as confidential by either Party in writing or which ought to be considered as confidential (however it is conveyed or on whichever medium it is stored) including information which relates to the business, affairs, properties, assets, trading practices, services, developments, trade secrets, intellectual property rights, know-how, personnel, customers and suppliers of either Party, all personal data and sensitive personal data within the meaning of the General Data Protection Regulation and any other UK data protection law which may be enacted from time to time. Confidential Information does not include Basic Project Information;
- (c) **“Crown Body”** means a UK central government department and any other organisation in the UK that is defined by law as a Crown Body;
- (d) **“Eligible Expenditure”** means expenditure in relation to the Funded Activities that complies in all respects with the eligibility rules set out in Annex D of this Grant Agreement;
- (e) **“Equipment”** means the tools and machinery which the Grantee may use in order to conduct research and any other activity that is necessary to deliver the Project for which grant funding is being provided under this Grant Agreement;
- (f) **“Evaluation”** means an assessment of the Project by the Authority or one or more persons appointed by the Authority. The Evaluation will assess the Project on the basis of value for money, impact and delivery of outputs. Evidence will be collected through a review of paper documents and interviews with stakeholders;
- (g) **“Evaluation Visit”** means a visit of up to 10 days made by one or more persons appointed or nominated by the Authority to the country where the Project is being delivered and will comprise of a series of interviews with stakeholders involved in the Project;
- (h) **“Financial Year”** means the 12 month period 1 April to 31 March;
- (i) **“Funded Activities”** means the activities set out in Annex A of this Agreement;
- (j) **“Funding Period”** means the period for which the Grant is awarded as specified in clause 4.1 of this Grant Agreement;
- (k) **“Grant”** means the sum or sums of money [in local currency] to be provided to the Grantee in accordance with this Grant Agreement;
- (l) **“Programme Objective”** means the wider programme of activity that this Project is part of as set out in Annex A;
- (m) **“Prohibited Act”** means:
- i. offering, giving or agreeing to give any servant of the Authority or the Crown any gift or consideration of any kind as an inducement or reward for:
 1. doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement; or
 2. showing or not showing favour or disfavour to any person in relation to this Agreement;
 - ii. committing any offence
 1. under the Bribery Act;
 2. under legislation creating offences in respect of fraudulent acts; or

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3. at common law in respect of fraudulent acts in relation to this Agreement; or
 - iii. defrauding or attempting to defraud or conspiring to defraud the Authority or the Crown;
- (n) **“Project”** means the outputs and activities set out in the Project Final Bid Form in Annex A;
- (o) **“Project Implementation”** means all the activity which the Grantee undertakes in order to deliver the Project which is being funded under this Grant Agreement;
- (p) **“Staff”** means all persons employed or otherwise used by the Grantee to perform its obligations under this Grant Agreement;
- (q) **“State Aid”** has the meaning given in Article 107(1) of the Treaty on the Functioning of the European Union;
- (r) **“Unspent Monies”** means any monies paid to the Grantee in advance of expenditure which remains:
 - (i) unspent and uncommitted at the end of a Funding Period; or
 - (ii) unspent and uncommitted at the end of the Financial Year in which the Funding Period occurs;

1.3 Any reference to UK primary legislation (Acts) or secondary legislation (Statutory Instruments) in this Grant Agreement includes reference to any changes to or replacement of those Acts or Statutory Instruments.

2. Grant Offer

2.1 The Authority offers to pay the Grantee the grant funding set out in this Grant Agreement **on condition that** the Grantee complies fully with the terms of this Grant Agreement.

2.2 The Grantee acknowledges that the Authority agrees to provide funding only for the amount, period and purposes set out in this Grant Agreement.

3. Purpose of the Grant

3.1 The Authority is providing grant funding for Eligible Expenditure incurred by the Grantee to implement the project entitled: *[Project Title]* (“the Project”). The Project outputs and activities are set out in the Project Final Bid Form at Annex A.

3.2 The Grantee accepts responsibility for the proper use and administration of all funding provided under this Grant Agreement and undertakes to use such funding only for the purpose of carrying out the Project in accordance with the Project outputs and activities set out in Annex A.

3.3 The Grant must not be used to support activity intended to

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- 3.3.1 influence or attempt to influence the UK Parliament, Government or political parties;
- 3.3.2 influence or attempt to influence the awarding or renewal of contracts and grants by the UK government; or
- 3.3.3 influence or attempt to influence legislative or regulatory action in the UK.

3.4 Where the Grantee intends to apply to a third party for other funding for the Funded Activities, it will notify the Authority in advance of its intention to do so and, where such co-funding is permitted and obtained, it will provide the Authority with details of the amount and purpose of that funding.

3.5 The Grantee agrees and accepts that it will not apply for duplicate funding in respect of any part of the Funded Activities or any related administration costs that the Authority is funding in full under this Grant Agreement and that it may be prosecuted for fraud should it dishonestly and intentionally make such an application.

4. Grant Funding Period

4.1 The grant funding period is from *[Start Date]* to *[End Date]*.

4.2 Project Implementation will begin on the day after the last of the two Parties signs this Grant Agreement.

5. **Amount of the Grant** The Authority will provide up to a maximum of *[currency and amount in numbers and words]* towards the total costs of the Project, of which *[write amount in numbers and words]* will be paid in the current Financial Year.

5.2 The Authority does not guarantee grant funding for subsequent periods after the term of this Grant Agreement or in Financial Years following the Financial Year of signature of this Grant Agreement. Whether the Authority provides additional grant funding to the Grantee will depend on factors including:

- (a) the availability of funding to the Authority; and
- (b) full compliance with the terms of this Grant Agreement by the Grantee in the period covered by this Grant Agreement.

6. Timing of Grant payments

6.1 Payment will be made three (3) months in arrears *[or see guidance for alternative wording]*

6.2 The Authority will not authorise payment unless the Grantee has:

- (a) signed and returned a copy of this Grant Agreement to the Authority;
- (b) provided appropriate bank details including a method for identifying the Authority's funding either in a separate bank account or by using project codes; and
- (c) agreed to comply with the terms of this Grant Agreement, including the reporting requirements.

6.3 The Authority reserves the right to withhold all or any payments of the grant funding if it has reasonably requested information and/or documentation from the Grantee and this has not been provided to the Authority within the timescales reasonably required.

7. Reduction And Recovery Of Grant

7.1 Without prejudice to the Authority's other rights and remedies, the Authority may withhold or suspend payment of any grant funding due to the Grantee and/or require the Grantee to repay any Unspent Monies if any of the events set out in clause 7.5 and clause 18 arise.

7.2 If the Grantee fails to comply with any of the terms of this Agreement the Authority may require that all or part of the grant funding be repaid.

7.3 The Grantee may not retain any portion of the Grant that has not been used by the end of the Financial Year in the Funding Period without the Authority's written permission.

7.4 Where all or a proportion of the Grant Funding remains unspent at the end of the Financial Year, including as a result of termination of this Agreement, all or a proportion of the Unspent Monies, as calculated by the Authority, must be repaid to the Authority within thirty (30) working days from the date on which the request for payment is sent and must not be carried forward for use in the following Financial Year.

7.5 If the Grantee is wound up or goes into liquidation, administration, receivership or bankruptcy, or enters into any compromise or other arrangement of its debts with its creditors, the Authority will be entitled to recover any grant money that has not been spent and/or may withhold any further payments. If any of the money is held by the Grantee contractors, the Grantee must attempt to recover those sums from its contractors.

7.6 If the Authority makes an overpayment to the Grantee, it will seek recovery of all sums overpaid. The Grantee will repay any overpayment to the Authority within thirty (30) calendar days of receiving a written request from the Authority to make a repayment. If there is a dispute between the Parties about the overpayment, repayment will not be made until the dispute has been resolved.

8. Managing the Grant

Reporting

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8.1 The Grantee will provide a quarterly monitoring report and a financial report every three (3) months during the Funding Period starting from *[insert Start Date]*.

8.1.1 The **quarterly monitoring report** will:

- (a) describe the Project activities completed and the results achieved;
- (b) contain an assessment of progress made against the proposals as set out in the Project Final Bid Form at Annex A; and
- (c) refer to the indicators of success in Annex A.

8.1.2 The **financial reports** will state:

- (a) how much funding was spent;
- (b) the purpose of the expenditure of the funding in (a) above; and
- (c) whether any funding was used for consultant's fees or travel expenses.

8.2 When the Project has been completed the Grantee will prepare and send a final report (a "**Project Completion Report**") to the Authority within the period that the Authority requests. This report will contain a detailed breakdown of all expenditure for the grant funding period. The Authority will only make a final grant payment when the Project Completion Report has been submitted to the relevant representative of the Authority, in the format requested and with all of the information that is required.

8.3 The Grantee will send originals or copies of invoices and receipts to the Authority within one (1) calendar month after sending a financial report to the Authority *[or see guidance for alternative wording]*

8.4 Where a Project has an annual expenditure of over two hundred thousand pounds (£200,000) (or other currency equivalent) the Grantee will provide externally audited financial reports, unless the Parties agree otherwise. Costs for producing the reports will be paid by the Grantee.

Monitoring and Evaluation

8.5 The Authority will monitor the progress of the Project throughout the Funding Period and reserves the right to:

- (a) carry out Evaluation Visits, after giving reasonable notice;
- (b) appoint an external evaluator.

8.6 The method and timing of the Evaluation Visit, and the Evaluation of the Project, will be at the Authority's discretion.

8.7 The Grantee will make staff available to meet with, answer questions and provide management information to the Authority or the evaluator appointed by the Authority.

8.8 The Authority and the Grantee will undertake a joint review of the Project if the Authority considers it necessary to refocus the Project outputs. If, at any stage, the Project outputs are not achieving the agreed objectives, impact and delivery, the Authority may terminate the Project.

Additional governance

8.9 In order to ensure its accountability to Parliament or any other body authorised to scrutinise its use and management of public funds or in order to assess risks of fraud or guard against potentially fraudulent use of grant funding, the Authority reserves the right to:

- (a) make grant funding subject to such arrangements (including terms of reference, steering committees and virtual boards) as it considers reasonable, appropriate and proportionate to manage the relationship with the Grantee. This reservation may be exercised by reference to the budget, scope or complexity of a Project; or
- (b) commission an external audit of the financial reporting provided by the Grantee at any point in the Funding Period. Where the Authority exercises this right, it will bear the cost of such audit.

Financial Irregularity

8.10 If the Grantee has good reason to suspect fraud or any other misuse of any grant funding paid under this Grant Agreement, it must notify the Authority immediately, explain the steps that are being taken to investigate the suspicion and keep the Authority informed of the progress and outcome of the investigation.

9. Other uses of grant funding

Procurement

9.1 The Grantee must obtain value for money when using grant funding and will act in a fair, open and non-discriminatory manner when buying goods and services.

9.2 The Grantee will follow its own procurement guidelines and procedures when buying goods and services using grant funding provided under this Grant Agreement.

9.3 If the Authority requests information from the Grantee about the use of grant funding provided under this Grant Agreement for procurement, the Grantee will provide sufficient information to show that its procurement processes are transparent, fair, allow for competition and were cost-effective.

Equipment – Purchase and disposal

9.4 The Authority provides funding under this Grant Agreement on the basis that the Grantee will not use grant funding to purchase Equipment as the sole project output. Neither will the Grantee use grant funding to purchase Equipment where it is reasonable to expect the Grantee to hold such Equipment as part of its normal business.

9.5 If the Grantee considers that it is or may be necessary to use grant funding to buy Equipment in order to deliver the Project it will inform the Authority of this at the earliest opportunity. All proposed Equipment must be itemised and costed in the Project budget and subsequent purchases recorded (in the form set out in clause 9.7 of this Grant Agreement) by the Grantee. The Grantee will not purchase Equipment using grant funding provided under this Grant Agreement unless the Authority has consented to such use of the funding and this consent is recorded in writing and attached to this Grant Agreement as an additional annex.

9.6 The Authority reserves the right to consider any failure to seek its consent before using grant funding to buy Equipment as a significant breach of this Grant Agreement for which the Authority may end this Grant Agreement.

9.7 If the Grantee buys Equipment to implement the Project it will maintain a record and notify the Authority of such purchases using grant funding. Entries in the record must include the following information:

- (a) description of the item(s)
- (b) specific identification (e.g. serial number)
- (c) date of purchase
- (d) where the item was purchased
- (e) original value (including VAT, if paid)
- (f) person responsible for the purchase

9.8 If the Grantee buys Equipment with the Authority's consent, any such Equipment with an initial value of one thousand pounds (£1,000) (or other currency equivalent) and a useful life of more than one (1) year at the end of the Funding Period will be the property of the Authority and must not be disposed of except as the Authority directs.

9.9 If the Grantee has an existing process or policy regarding the ownership and disposal of Equipment which is inconsistent with clause 9.8, it will make the Authority

aware of this at the earliest possible opportunity when bidding for funding from the Authority. The Parties will then decide, before the Grant Agreement is signed, on the ownership and disposal arrangements of Equipment for when the Project ends, to be recorded in writing and attached to this Grant Agreement as an additional annex.

10. Records to be kept

10.1 The Grantee will ensure that all original documents are retained for a period of six (6) years after the end of this Grant Agreement and will provide these to the Authority, if requested within this period.

11. Audit and Inspection

11.1 The Authority may request reasonable access for its authorised representatives, after giving the Grantee notice, to:

- (a) project sites which the Grantee owns or occupies and where any activity in support of the Project has been undertaken; and/or
- (b) records (however these are stored) which show how grant funding for the Project has been used.

12. Legislation and State Aid Law

12.1 The Grantee acknowledges that the Authority is subject to the Freedom of Information Act 2000, the General Data Protection Regulation and any other UK data protection law which may be enacted from time to time, and the Equality Act 2000.

12.2 The Grantee must ensure that it complies with any applicable law or organisational directions and regulations which are binding on it.

12.3 The Grantee will also cooperate with the Authority (to the fullest extent permissible and consistent with its obligations under any applicable law or rules) to enable the Authority's compliance with its obligations under the legislation referred to in clause 12.1 or other applicable legislation which applies to the provision of grant funding under this Grant Agreement.

12.4 The Grantee acknowledges that, where the Authority is required to disclose information in line with its obligations under the UK Freedom of Information Act 2000, it will be responsible for determining whether any information relating to this Grant Agreement is exempt from disclosure. If the Grantee provides information to the Authority which is designated as commercially sensitive or confidential these markings will not determine conclusively whether or not disclosure by the Authority is

necessary in order to comply with **its** legal obligations. *[or see guidance for alternative wording]*

12.5 The Grantee will take all reasonable steps to ensure that where any awards to third parties are made from the Funded Activities those awards are compatible with State Aid law, if applicable, including requesting such documentation from the award recipients as is necessary to ensure compliance with State Aid law.

13. Transparency

13.1 The Grantee acknowledges that the Authority will disclose payments made under this Grant Agreement with a value of twenty five thousand pounds (£25,000) or more in accordance with the UK Government's transparency agenda.

13.2 The Authority may request information about the implementation and operation of the Project. Where the Authority makes such a request, the Authority will provide the Grantee with the reason for its request.

13.3 The Grantee is committed to the principle of transparency and, subject to any applicable law and/or binding internal procedure, the Grantee will make available to the Authority such information, as may be requested, relating to the implementation and the operations of the Project.

14. Confidentiality

14.1 Each Party will treat the other's information as confidential, keep it safe and not disclose it to a third person without the original owner's prior written consent unless disclosure is expressly permitted by this Grant Agreement.

14.2 The Grantee may disclose the Authority's Confidential Information to its Staff who are directly involved in the implementation of the Project and who need to know the information. Where it makes such disclosure, the Grantee will ensure that such Staff are:

- (a) aware of and comply with the confidentiality obligations under this Grant Agreement; and
- (b) do not use any of the Authority's Confidential information that is received for purposes other than the implementation of the Project and in line with this Grant Agreement.

14.3 Clause 14.1 will not apply to the disclosure of information that:

- (a) is a requirement of law placed upon the Party making the disclosure by an order of a court of competent jurisdiction or in order to comply with requirements including but not limited to the Freedom of Information Act 2000 or the Environmental Information Regulations 2004;
- (b) occurs because information was in the possession of the Party making the disclosure without any obligation of confidentiality to the information owner and prior to any disclosure;
- (c) was obtained from a third party who was not subject to an obligation of confidentiality;
- (d) was already in the public domain at the time of disclosure and this was not due to a breach of this Grant Agreement; or
- (e) was developed independently without access to the other Party's confidential information.

14.4 Nothing in this Grant Agreement will prevent the Authority from disclosing the Grantee's confidential information:

- (a) to any Crown Body. All Crown Bodies receiving such confidential information will be entitled to further disclose the confidential information to other Crown Bodies on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any Crown Body;
- (b) to any person engaged by the Authority or any person authorised to scrutinise the Authority's activities by conducting an assurance or other review of the Project (whether alone or as part of a wider programme of activity which the Project is supporting);
- (c) for the purpose of the examination and certification of the Grantee's accounts;
- (d) for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources.

14.5 Nothing in this clause will prevent either Party from using any techniques, ideas or know-how gained during the performance of this Grant Agreement in the course of its normal business so long as this use does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's or a third party's intellectual property rights.

15. Publicity – Acknowledgement of Funding

15.1 The Grantee may acknowledge the grant funding provided by the Authority for the Project in materials produced during the Funding Period and at related public events unless the Authority directs otherwise. Where the Authority directs that its funding must not be acknowledged the Grantee will comply with this instruction.

15.2 The Grantee must consult the Authority regarding the content of any promotion or publicity regarding the Project [particularly if it proposes to use any of the Authority's branding or logos] and is obliged to obtain the Authority's written consent before using any such content.

16. Conflict of Interest and Grantee commentary

16.1 The Grantee will ensure that it has adequate procedures in place to enable early identification and effective management of any conflicts of interest which it or its Staff may have in relation to this Grant Agreement. Where the Grantee identifies a conflict of interest it will notify the Authority of this and provide information about how this is being managed.

16.2 In addition to its obligations in clause 16.1, the Grantee will:

- (a) avoid expressing views which are inconsistent with the Programme Objective when speaking to third parties in order to deliver the Project;
- (b) make clear that it does not represent or speak for the Authority or the Government of the United Kingdom in any situation where it expresses views;
- (c) check with the Authority first before making any statements which might be covered by clauses 16.2 (a) or (b).

17. Amendment of this Grant Agreement

17.1 This Grant Agreement may be amended only by written agreement of the Parties and such amendments must be recorded in writing, signed by both Parties and attached to the signed original of this Grant Agreement.

18. Breach of Grant Conditions and Termination

Temporary Suspension of performance

18.1 Either Party may notify the other of any event or matter which was neither caused by the Parties nor is within the control of the Parties which prevents, delays or is likely to prevent or delay the performance of its obligations under this Grant Agreement. In this situation, the Parties may agree to suspend the performance of obligations under this Grant Agreement temporarily for a period of up to one (1) calendar month ("**Temporary Suspension Period**").

Termination

- 18.2 Either Party may terminate this Agreement at any time by giving at least three (3) months [or a timescale proportionate to the Funding Period; whichever is the shorter] written notice to the other Party.
- 18.3 The Authority may by notice in writing to the Grantee terminate this Agreement with immediate effect if any of the following events occur:
- (a) the Grantee intends to use, has used in the past, or uses the Grant Funding for purposes other than those for which they have been awarded;
 - (b) the Grantee is, in the reasonable opinion of the Authority, delivering the Funded Activities in a negligent manner; in this context negligence includes but is not limited to failing to prevent or report fraud or corruption;
 - (c) the Grantee obtains duplicate funding from a third party for the Funded Activities;
 - (d) the Grantee commits or committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grantee or a third party as soon as they become aware of it;
 - (e) the Authority determines (acting reasonably) that any director or employee of the Grantee has:
 - (i) acted dishonestly or negligently at any time during the term of this Agreement and to the detriment of the Authority; or
 - (ii) taken any actions which unfairly bring or are likely unfairly to bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
 - (f) the Grant is found to be unlawful State Aid;
 - (g) the Grantee commits a material breach of the Agreement;
 - (h) the Grantee fails to comply with any of the Terms and Conditions set out in the Agreement and fails to rectify such breach within thirty (30) days of receiving written notice from the Authority detailing the failure.
- 18.4 On termination of this Grant Agreement the Grantee will provide financial and narrative reports (including invoices and receipts) within thirty (30) days of receiving written notification of termination up to the date of such termination.
- 18.5 In the event of a change of UK government or in policy direction, this Agreement may be terminated by the Authority with immediate effect by notice in writing (such notice period as the Authority determines will be reasonable by reference to all the circumstances of the case).
- 18.6 If the Authority terminates this Grant Agreement in accordance with clause 18.2, the Authority may pay the Grantee's reasonable costs in respect of the delivery of the Funded Activities performed up to the date upon which notice of the termination is first given to the Grant Recipient. Reasonable costs will be identified by the Grantee and will be subject to the Grantee demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable will be determined solely by the Authority.

19. Insurance

19.1 The Grantee will ensure that it has such insurance in place as is necessary for the normal conduct of its activities. Where it is necessary for the Grantee to purchase additional insurance cover in order to perform its obligations under this Grant Agreement, the Grantee will ensure that it has all relevant insurance in place prior to the start of the grant funding period.

20. Liability and Indemnity

20.1 Neither Party may limit its liability for personal injury or death caused by negligence, fraud or fraudulent representation.

20.2 The Grantee agrees to indemnify the Authority for any costs, claims, damage or losses which arise as a result of negligence by the Grantee or out of any breach by the Grantee of any terms of this Grant Agreement.

21. Grantee responsibility for Staff

21.1 The Grantee undertakes to provide adequate supervision of and care for its Staff, agents and representatives.

21.2 In the event that it is necessary for the Grantee or any of its representatives or associates involved in the Project to travel in order to perform the tasks specified in Annex A, the Grantee will be responsible for obtaining security advice from security providers that are established and reputable with appropriate experience, qualified personnel and insurance cover. The costs of any specialist security provision will be borne as part of the Project budget.

21.3 Subject to clause 21.4, where the Authority has publicly advised against all travel to a country or region where the Project is to be implemented or where the Authority has highlighted specific security or safety concerns, the Grantee must liaise closely and in good time with the Authority about the feasibility of travel to such country or region.

21.4 The Authority acknowledges that where the Grantee has access to its own source of advice and processes for ensuring the safety and security of its personnel (including agreementors and other authorised agents) it may rely on such provisions and will bear the responsibility for all such personnel.

22. Information about Grantee Staff and Sub-contractors

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22.1 The Grantee acknowledges that in some circumstances the Authority may for security purposes require information regarding its Staff and subcontractors or other authorised representatives. Where the Authority makes such a request the Grantee shall, subject to clause 22.2, provide the Authority with such information as the Authority may require in order to carry out any security checks it deems necessary.

22.2 When providing information to the Authority in line with clause 22.1, the Authority acknowledges and the Grantee agrees that such disclosure will be to the extent that this is permissible under any of the following:

- (a) the General Data Protection Regulation and any other UK data protection law which may be enacted from time to time (if applicable);
- (b) the principles of transparency, legitimate purpose and proportionality;
- (c) any other legislation or personal data protections rules, policy or practice that applies to the Grantee.

23. Intellectual Property Rights

23.1 Any intellectual property rights which arise in the course of the implementation of the Project by the Grantee (**"Foreground IP"**) will belong to the Grantee provided that the Grantee hereby grants to the Authority a worldwide, perpetual, royalty free licence to use such intellectual property rights for any purpose directly connected with the Project.

23.2 Except as provided for in clause 23.1 above, this Grant Agreement will not grant either Party any rights over the other Party's intellectual property rights. In particular, neither Party will own or assert any interest in the other Party's existing intellectual property rights (**"Background IP"**).

23.3 The Grantee warrants that it will take all reasonable steps to ensure that its implementation of the Project under this Grant Agreement will not infringe any intellectual property rights of any third Party. The Grantee agrees to indemnify and hold the Authority harmless against all liability, loss, damage, costs and expenses (including legal costs) which the Authority may incur or suffer as a result of any claim of alleged or actual infringement of a third party's intellectual property rights arising out of the Grantee's negligent implementation of the Project.

24. Dispute Resolution

24.1 The Parties will attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with this Grant Agreement.

24.2 The Parties may settle any dispute using a dispute resolution process which they agree.

24.3 If the Parties are unable to resolve a dispute in line with the requirements of clauses 24.1 or 24.2, the dispute may, by agreement between the Parties, be referred to mediation in accordance with the Model Mediation Procedure issued by the Centre for Effective Dispute Resolution (“CEDR”), or such other mediation procedure as is agreed by the Parties. Unless otherwise agreed between the Parties, the mediator will be nominated by CEDR. To initiate the mediation the Party will give notice of the intention to mediate in writing (“**the ADR Notice**”) to the other Party, and that latter Party will choose whether or not to accede to mediation. A copy of the ADR Notice should be sent to CEDR, unless other mediation is agreed upon by both parties. If the latter party chooses to accede to mediation, the mediation will start no later than 14 days after the date on which the ADR Notice is sent. *[or see guidance for alternative wording]*

24.4 The performance of the obligations which the Grantee has under this Grant Agreement will not cease or be delayed because a dispute has been referred to mediation under clause 24.3 of this Grant Agreement.

25. Entire Agreement

25.1 This Grant Agreement constitutes the entire agreement between the Parties and supersedes all negotiations, representations or agreements either written or oral preceding it.

26. Governing Law

26.1 This Grant Agreement will be governed by and construed in accordance with substantive English law and the Grantee hereby irrevocably submits to the non-exclusive jurisdiction of the English courts. The submission to such jurisdiction will not (and will not be construed so as to) limit the right of the Authority to take proceedings against the Grantee in any other court of competent jurisdiction, nor will the taking of proceedings by the Authority in any one or more jurisdictions preclude the taking of proceedings by the Authority in any other jurisdiction, whether concurrently or not. *[or see guidance for alternative wording]*

Signed for the Grantee

Signed for the Authority

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Name:

Name:

Date:

Date:

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ATTACH AS ANNEX A: THE PROJECT FINAL BID FORM

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ATTACH AS ANNEX B: THE PROJECT ACTIVITY BASED BUDGET

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ANNEX C: STATEMENT OF FCO PROCUREMENT GOOD PRACTICE PRINCIPLES

1. Good procurement practice includes the key principles set out below:

- Purchasing should be done with the aim of securing value for money.
- Purchasing should be done by competition unless there is a robust justification (legal/operational) for not having a competition.
- Buyers should have, develop and use their awareness of particular supply markets to improve the quality and competitiveness of goods/services etc that are offered (effective supplier management).
- Buyers (in FCO) should comply with applicable legal and international obligations.
- *Wherever possible* anything purchased should have been produced in a sustainable manner.
- Ethical conduct is extremely important.

2. Ethical conduct relates in particular to ensuring that:

- Buyers' integrity must be beyond reproach (this ties in with issues around acceptance of gifts and hospitality from suppliers or equally offering gifts or hospitality to suppliers – this should not happen)
- Staff involved in purchasing activity must declare any interest they have in a particular transaction whether this is because of personal gain to them or to a family member or close associate (effective management of potential and actual conflicts of interest)
- The confidentiality of information is protected unless there is a lawful reason which justifies disclosure (e.g. compliance with the Freedom of Information Act 2000, agreemental agreement between the Grant Agreement Parties that certain types of information can be disclosed). There may also be reasons based on government policy which require disclosure of certain types of information.
- Any information provided to suppliers is accurate and not intentionally misleading or misleading due to inattention on the buyer's part.
- All suppliers are treated fairly (i.e. not favouring one supplier or acting to the disadvantage of another)
- The competition process does not undermine ongoing relationships with suppliers. This is about conducting purchasing activity in a way that inspires confidence in the fairness of the process.

ANNEX D: FURTHER GUIDANCE REGARDING ELIGIBLE EXPENDITURE

The following costs/payments will be classified as Eligible Expenditure if made for the purposes of the Funded Activity:

- I. Fees charged or to be charged to the Grantee by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
- II. giving evidence to Select Committees;
- III. attending meetings with Ministers or officials to discuss the progress of a taxpayer funded grant scheme;
- IV. responding to public consultations, where the topic is relevant to the objectives of the grant scheme. This does not include spending government grant funds on lobbying other people to respond to the consultation;
- V. providing independent, evidence based policy recommendations to local government, departments or Ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
- VI. providing independent evidence based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the grant scheme.

A payment is defined as taking place at the moment when money passes out of Grantee control. This may take place when:

- I. Legal tender is passed to a supplier (or, for wages, to an employee);
- II. A letter is posted to a supplier or employee containing a cheque; or
- III. An electronic instruction is sent to a bank/building society to make a payment to a supplier or employee by direct credit or bank transfer.

The Grantee must not deliberately incur liabilities for Eligible Expenditure in advance of need; nor pay for Eligible Expenditure sooner than the due date for payment.

INELIGIBLE EXPENDITURE

The following costs must be excluded from Eligible Expenditure. The list below does not override activities, which are deemed eligible in this agreement:

- I. Paid for lobbying, which means using grant funds to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, Government or political activity; or attempting to influence legislative or regulatory action;
- II. using grant funds to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
- III. using grant funding to petition for additional funding;
- IV. payments for activities of a political or exclusively religious nature.
- V. Goods or services that the Grantee has a statutory duty to provide;
- VI. Payments reimbursed or to be reimbursed by other public or private sector grants
- VII. Contributions in kind (i.e. a contribution in goods or services, as opposed to money);
- VIII. The acquisition or improvement of fixed assets by the Grantee (unless the grant is explicitly for capital use – this will be stipulated in the Grant Offer Letter);
- IX. Gifts to individuals other than promotional items with a value that does not exceed the Monetary Thresholds as stated in UK Cabinet Office guidance and Ministerial Code to any one individual within a one year period;¹
- X. Entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- XI. Statutory fines, criminal fines or penalties; or
- XII. Liabilities incurred before the issue of this funding agreement unless agreed in writing by the Funder.

¹ Thresholds vary depending on where the gift is received and who it came from. The thresholds follow Cabinet Office guidance and the Ministerial Code and are currently:

- a. £25 for a gift received in the UK from a UK source (eg a company)
- b. £75 for a gift received in the UK from a foreign source (eg an Embassy)
- c. £140 for gifts received from any source whilst serving or travelling overseas